

VA**U.S. Department
of Veterans Affairs**

News Release

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For the second consecutive year, the Department of Veterans Affairs (VA) is reducing the monthly premium rate for Servicemembers' Group Life Insurance (SGLI). Effective July 1, VA will decrease the SGLI rate from 8.5 cents per \$1,000 of coverage to 8 cents. VA reduced the rate from 9 cents to 8.5 cents July 1, 1997. Both reductions are due to the decreasing death rate of SGLI members.

SGLI is available to members of the U.S. armed forces and its reserve components and to the commissioned corps of the Public Health Service and National Oceanic and Atmospheric Administration.

The newest change means that the monthly premium for a servicemember with the maximum SGLI coverage of \$200,000 will decrease from \$17 to \$16, a savings of \$26 million to the servicemembers.

Some 97 percent of servicemembers, or a total of 2.3 million, carry more than \$449 billion in SGLI coverage. More than 90 percent take the maximum \$200,000 in coverage.

Servicemembers insured by SGLI are guaranteed the right to convert their coverage to Veterans' Group Life Insurance (VGLI) when they separate from service. VGLI is renewable for life in five-year-term periods and can be converted to commercial insurance.